



City of NORFOLK

C: Dir., Department of General Services

To the Honorable Council
City of Norfolk, Virginia

July 19, 2016

From: David S. Freeman, AICP
Director of General Services

Subject: Renewal of Lease Agreement
between the City of Norfolk and
Verizon Virginia, LLC

Reviewed: Sabrina Joy Hogg
Sabrina Joy Hogg, Deputy City Manager

Ward/Superward: N/A

Approved: Marcus D. Jones
Marcus D. Jones, City Manager

Item Number:

PH-12

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** Verizon Virginia, LLC
c/o Verizon Global Real Estate
Attn: Lease Administration
7701 E. Telecom Parkway
Mail Code: FLTDSB1W
Temple Terrace, FL 33637

III. **Description:**

This agenda item is an ordinance to approve a lease agreement between the City of Norfolk (the "city") and Verizon Virginia, LLC ("Verizon") for the continued lease of city-owned property located near Shell Road in the City of Virginia Beach (the "property").

IV. **Analysis:**

This lease agreement is a renewal and will permit Verizon to continue to lease and use the property for the maintenance and operation of a communications building. The term of the proposed lease is five (5) years, commencing on August 1, 2016 and terminating on July 31, 2021.

V. **Financial Impact:**

The rent will be subject to a 3% annual escalation.

Term	Annual Rent
08/01/2016 – 07/31/2017	\$2,463.48
08/01/2017 – 07/31/2018	\$2,537.35
08/01/2018 – 07/31/2019	\$2,613.47
08/01/2019 – 07/31/2020	\$2,691.87
08/01/2020 – 07/31/2021	\$2,772.53

Liability insurance (Verizon Virginia, LLC)	The City has been named as an additional insured in the amount of \$1,000,000 per occurrence; therefore, there should be no financial risk to the City
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VI. Environmental

There are no known environmental issues associated with this property.

VII. Community Outreach/Notification

Public notification for this agenda item was conducted through the city's agenda notification process.

VIII. Board/Commission Action

N/A

IX. Coordination/Outreach

This letter and ordinance have been coordinated with the Department of General Services – Office of Real Estate and the City Attorney's Office.

Supporting Material from the City Attorney's Office:

- Ordinance
- Proposed Lease Agreement
- Exhibit A to Lease Agreement – Legal Description
- Map

Form and Correctness Approved: 

By 

Office of the City Attorney

Contents Approved: 

By

DEPT. General Services

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE APPROVING A LEASE AGREEMENT WITH VERIZON VIRGINIA, LLC FOR THE LEASE OF CITY OWNED PROPERTY LOCATED IN THE CITY OF VIRGINIA BEACH NEAR SHELL ROAD.

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BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the Lease Agreement, a copy of which is attached hereto as Exhibit A, between the City of Norfolk ("City") and Verizon Virginia, LLC ("Verizon"), whereby the City leases certain property located near Shell Road in the City of Virginia Beach to Verizon for use as a communications equipment building, is hereby approved.

Section 2:- That the City Manager and other proper officers of the City are authorized to execute the Lease on behalf of the City and to do all things necessary and proper to implement its terms.

Section 3:- That the City Manager is further authorized to correct, amend or revise the Lease Agreement as he may deem advisable consistent with the intent of the Council.

Section 4:- That this ordinance shall be in effect from and after thirty (30) days from the date of its adoption.

EXHIBIT A TO ORDINANCE

LEASE AGREEMENT

THIS LEASE AGREEMENT, ("Lease"), dated this ____ day of _____, 2016, by and between the **CITY OF NORFOLK**, a municipal corporation of the Commonwealth of Virginia ("City"), Lessor, and **VERIZON VIRGINIA LLC**, a Virginia limited liability company ("Verizon"), Lessee, whose address is Verizon Global Real Estate, Attn: Lease Administration, 7701 E. Telecom Parkway, Mail Code: FLTDSB1W, Temple Terrace, Florida 33637.

WITNESSETH:

That for and in consideration of the rents, covenants, and agreements herein respectively made and assumed by the City and Verizon, the City hereby leases to Verizon and Verizon hereby leases from City that certain land owned by the City of Norfolk situate in the City of Virginia Beach as described in Exhibit A and shown on Exhibit B, attached hereto and incorporated by reference ("Premises").

1. **TERM OF LEASE.** The term of this Lease shall be five (5) years ("Term") to commence August 1, 2016 ("Commencement Date"), and to end on the last day of July, 2021 ("Termination Date"), subject to the provisions herein contained.
2. **USE.** Verizon covenants and agrees to use and occupy the Premises for the maintenance and operation of a communications building.
3. **ACCEPTANCE OF PREMISES.** Verizon acknowledges that it is familiar with the Premises and hereby agrees to accept the Premises in their present condition, as is. Verizon further acknowledges that neither City nor anyone on City's behalf has made any representations or warranties with respect to the condition of the Premises.
4. **RENT.** The rental payment ("Rent"), payable annually on the 1st day of August for each year of this Lease, shall be \$2,463.48 for the first year of the term of this Lease.

During the remaining years of this Lease, Rent shall be adjusted three percent (3%) annually in the following manner:

August 1, 2017 to last day of July, 2018	\$2,537.35/yr
August 1, 2018 to last day of July, 2018	\$2,613.47/yr
August 1, 2019 to last day of July, 2020	\$2,691.87/yr
August 1, 2020 to last day of July, 2021	\$2,772.53/yr

Each installment of Rent shall be made promptly in advance of the first day of August during the term of this Lease without demand and without offset or deduction. The Rent shall be paid by check or money order made payable to the City Treasurer and sent to the Office of Real Estate, 232 East Main Street, Norfolk, Virginia, 23510.

No payment by Verizon or receipt by City of a lesser amount than the Rent stipulated in this Lease shall be deemed other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or payment, or any writing accompanying any check or payment of such Rent, be deemed an accord and satisfaction, and City may accept such check or payment without prejudice to City's right to recover the balance of such Rent or pursue any other remedy provided in this Lease.

5. **LATE FEE.** For any payments of Rent paid after the date such payments were due, Verizon shall pay a late fee of 5% of the amount not paid when due. The payment of any late fee shall not in any way be curative of any Event of Default and payments pursuant to this section shall not affect any of the City's rights and remedies under Section 20.

6. **INSURANCE.** Verizon, at its own cost and expense, shall obtain and maintain during the Term of this Lease insurance of the types and in the amounts as follows:

COMMERCIAL GENERAL LIABILITY INSURANCE (CGL) with a limit of not less than \$1,000,000 each occurrence, \$2,000,000 general aggregate. CGL will cover liability arising from Premises, operations, independent contractors, products-completed operations, personal

injury and liability assumed under insured contract.

WORKER'S COMPENSATION INSURANCE providing coverage as required by applicable Federal and/or, State statutes, and Employer's Liability Insurance. The limits of such policies will be at least \$500,000 per accident/disease, and with a policy limit of \$500,000.

AUTOMOBILE/MOTOR VEHICLE LIABILITY INSURANCE with a limit of not less than \$2,000,000 combined single limit; or, bodily injury \$1,000,000 each person, \$2,000,000 accident, and property damage \$100,000 each accident. Such insurance must cover liability arising from any motor vehicle as defined by Commonwealth of Virginia laws and must include coverage for owned, hired and non-owned motor vehicles, as well as uninsured and underinsured motorists. This insurance is required only if Verizon, or Verizon's representatives will operate motor vehicles on the Premises.

Unless otherwise specifically approved by the City, general liability policies will be written in an "occurrence" ISO form approved for coverage in the Commonwealth of Virginia. The "City of Norfolk, VA, and its employees" will be included as an "Additional Insured" as their interests may appear under this Lease on the Commercial General Liability and the Automobile/Motor Vehicle Liability policies. All insurance policies affected by this Lease shall be primary and noncontributory to any other insurance or self-insurance maintained by City. Policy limits may be met via either a singular policy, or in combination with primary and excess, or umbrella, insurance policies. All policies where the City is an additional insured shall provide that City will receive written notice in the event of cancellation of, or material change in, any of the policies in accordance with the terms of such policies.

At least fifteen (15) days prior to the Commencement Date, Verizon shall deliver to City certificates evidencing the issuance of the policy required above, and also evidencing that the policy is then in effect. Verizon shall have the right to self-insure for all coverages required, and shall provide written certification to the City of such self-insurance at least fifteen (15) days prior to the Commencement Date. Failure by City to either demand such certificates or other evidence of full compliance with these requirements and/or to identify a deficiency from evidence that is provided will not be construed as a waiver of Verizon's obligation to maintain the insurance

required in this Lease.

7. **UTILITIES.** Verizon shall, at its own cost and expense, pay all utility meter and service charges, including but not limited to those for gas, sewer, electricity, water, standby sprinkler charges, and any deposits required by utility suppliers with respect to the Premises.

8. **REPAIRS.** Verizon shall keep and maintain the Premises in a good and complete state of repair and condition, except for ordinary wear and tear. Verizon shall make all repairs and replacements of every kind and character, to include, but not be limited to plumbing, heating, ventilation, air conditioning, electrical equipment and systems, lights and lighting, stanchions and fences, if any, and sidewalks and paved areas, necessary to preserve and maintain the Premises and the appurtenances belonging thereto, and will not call upon City during the term of this Lease to make any repairs or replacements whatsoever. All repairs and replacements shall:

- (a) be performed in a good and workmanlike manner,
- (b) be at least substantially equal in quality and usefulness to the original work,
- (c) be of first-class modern character, and
- (d) not diminish the overall value of the Premises.

9. **REQUIREMENTS OF PUBLIC AUTHORITIES.** Verizon shall suffer no waste or injury in or about the Premises and shall comply with all federal, state, and municipal laws, ordinances and regulations applicable to the structure, use and occupancy of the Premises, including, without limiting the generality of the foregoing, the making of any structural repairs that may be required in order to comply with said laws, ordinances and regulations. In addition, Verizon shall effect the correction, prevention and abatement of nuisances, violations or other grievances in upon or connected with the Premises and shall also promptly comply with all rules, orders and regulations of the Board of Fire Underwriters and any insurance company insuring the Premises.

10. **NET RENT.** It is the purpose and intent of City and Verizon that the Rent shall

be absolutely net to City, so that this Lease shall yield, net, to City, the Rent specified in Section 4 herein in each year during the term of this Lease without any abatement, deduction, set off or counterclaim. All costs, expenses, and obligations of every kind and nature whatsoever relating to the Premises which may arise or become due during or out of the term of this Lease shall be the responsibility of Verizon, except debt service arising in connection with any mortgage placed on the Premises by City or unless such charge or obligation arises as a result of an Event of Default (as hereinafter defined) on the part of City.

11. **INDEMNIFICATION.** Verizon shall indemnify and save harmless City from all fines, penalties, costs, suits, proceedings, liabilities, damages, claims and actions of any kind arising out of the use and occupation of the Premises by reason of any breach or nonperformance of any covenant or condition of this Lease by Verizon, or by Verizon's intentional act or negligence. This indemnification shall extend to all claims of any person or party for death or injury to persons and damage to any property, and to legal expenses, including reasonable attorney's fees, incurred by City in the defense of such claims or incurred by City as a result of a breach of any provision of this Lease by Verizon.

12. **NON-LIABILITY OF CITY.** City shall not be liable for any damage or injury which may be sustained by Verizon or any other person as a consequence of the failure, breakage, leakage or obstruction of the water, plumbing, steam, gas, sewer, drains, leaders, gutters, valleys, downspouts or the like, or of the electrical, ventilation, air conditioning, gas, power, conveyor, refrigeration, sprinkler, heating or other systems, elevators or hoisting equipment, if any, in the Premises; or by reason of the elements; or resulting from acts, conduct, or omissions on the part of Verizon or of Verizon's agents, employees, guests, licensees, invitees, assignees, or successors, or on the part of any other person or party.

13. **ALTERATIONS.** Verizon covenants and agrees that it will not make any

improvements, changes, installations, renovations, additions or alterations in and about the Premises without the prior written consent of City, such consent not to be unreasonably withheld, and the approval of the Norfolk Design Review Committee.

14. **ASSIGNMENT AND SUBLETTING.** With the exception of assignments to its affiliates, parent company, or any entity acquiring a major interest in Verizon, Verizon will not assign this Lease or sublet the Premises without obtaining City's prior consent in writing, such consent not to be unreasonably withheld. Any change in ownership or control of management of Verizon, directly or indirectly, whether by merger, consolidation or otherwise, shall be deemed an assignment for the purposes of this section. If this Lease is assigned with the consent of City as aforesaid, or if the Premises or any part thereof is occupied by anybody other than Verizon, City may collect rent from the assignee, Verizon, or the occupant, and may apply the net amount collected to the Rent herein reserved; but notwithstanding such assignment or subletting, Verizon shall remain liable for the payment of Rent reserved hereunder and for the performance of all obligations imposed upon Verizon by this Lease.

15. **AIR AND WATER POLLUTION.** Verizon expressly covenants and agrees to indemnify, defend and save City harmless against any claim, damage, liability, cost, penalty, or fine which City may suffer as a result of air, noise or water pollution caused by Verizon in its use of the Premises. Verizon covenants and agrees to notify City immediately of any claim or notice served upon it containing any allegation that Verizon is causing air, noise, or water pollution. Verizon, in any event, will take immediate steps to halt, remedy or cure any such pollution caused by Verizon in connection with its use of the Premises.

16. **COVENANT AGAINST LIENS.** Verizon agrees that it shall not encumber, or suffer or permit to be encumbered, the Premises or the fee thereof by any lien, charge or

encumbrance, and Verizon shall have no authority to mortgage or hypothecate this Lease in any way whatsoever.

17. **SUBORDINATION.** This Lease shall be subject and subordinate at all times to any lien of any mortgage now or hereafter placed on the Premises or any part thereof by City, without the necessity of any further instrument or act on the part of Verizon to effectuate such subordination, but Verizon covenants and agrees to execute and deliver upon demand such further instrument or instruments evidencing such subordination of this Lease to the lien of any such mortgage as shall be desired by a mortgagee.

18. **ENVIRONMENTAL.**

(a) For purposes of this section:

(i) "Hazardous Substances" include any pollutants, dangerous substances, toxic substances, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to the Resource and Conservation Recovery Act (42 U.S.C. § 6901 et seq.) ("RCRA"), the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) ("CERCLA") or any other federal, state or local environmental law, ordinance, rule or regulation.

(ii) "Release" means releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.

(iii) "Notice" means any summons, citation, directive, order, claim, litigation, investigation, proceeding, judgment, letter or other communication, written or oral, actual or threatened, from any authority of the Commonwealth of Virginia, the United States Environmental Protection Agency ("USEPA") or other federal, state or local agency or authority, or any other entity or any individual, concerning any intentional or unintentional act or omission resulting or which may result in the Releasing of Hazardous Substances into the waters or onto the

lands of the Commonwealth of Virginia, or into waters outside the jurisdiction of the Commonwealth of Virginia or into the "environment", as such terms are defined in CERCLA. Notice shall include the imposition of any lien on any real property, personal property or revenues of Verizon, including but not limited to Verizon's interest in the Premises or any of Verizon's interest in the Premises or any of Verizon's property located thereon, or any violation of federal, state or local environmental laws, ordinances, rules, regulations, governmental actions, orders or permits, or any knowledge, after due inquiry and investigation, of any facts which could give rise to any of the above.

(b) To the extent that Verizon may be permitted under applicable law to use the Premises for the generating, manufacture, refining, transporting, treatment, storage, handling, disposal, transfer or processing of Hazardous Substances, solid wastes or other dangerous or toxic substances, Verizon shall ensure that said use shall be conducted at all times strictly in accordance with applicable statutes, ordinances, and governmental rules and regulations. Verizon shall not cause or permit, as a result of any intentional or unintentional act or omission, a Release of Hazardous Substances on the Premises. If any such intentional or unintentional act or omission results in such a Release of Hazardous Substances on the Premises, Verizon shall promptly clean up and remediate such Release in accordance with the applicable federal, state, and local regulations, and to the reasonable satisfaction of City.

(c) Verizon shall comply with all applicable federal, state and local environmental laws, ordinances, rules and regulations, and shall obtain and comply with any and all permits required thereunder or any successor or new environmental laws. Upon the receipt of any Notice, Verizon shall notify City promptly in writing, detailing all relevant facts and circumstances relating to the Notice.

(d) The requirements of this section shall apply to any successor in interest to Verizon, whether due to merger, sale of assets, or other business combination or change of control.

(e) Verizon hereby agrees to defend (with counsel satisfactory to City) and to indemnify and hold City harmless from and against any and all claims, losses, liabilities, damages and expenses (including, without limitation, reasonable cleanup costs and attorney's fees arising under this indemnity) which may arise directly or indirectly from any use or Release of Hazardous Substances on the Premises and losses and claims against City resulting from Verizon's failure to comply strictly with the provisions of this section. The provisions of this section shall survive the expiration or earlier termination of this Lease for those occurrences arising out of Verizon's use of the Premises.

19. **SURRENDER BY VERIZON AT END OF TERM.** Verizon will surrender possession of the Premises and remove all structures, improvements, goods, chattels, and other personal property in the possession of Verizon, by whomsoever owned, at the end of the term of this Lease, or at such other time as City may be entitled to re-enter and take possession of the Premises pursuant to any provision of this Lease, and leave the Premises in as good order and condition as they were on the Commencement Date, reasonable wear and tear and alterations approved pursuant to Section 13 above excepted. In default of surrender of possession and removal of all structures, improvements, goods, and chattels at the time aforesaid, Verizon will pay to City the Rent reserved by the terms of this Lease for such period as Verizon either holds over possession of the Premises or allows its structures, improvements, goods, chattels, or other personal property in its possession at such time to remain in the Premises, and in addition thereto, statutory penalties and all other damages which City shall suffer by reason of Verizon holding over in violation of the terms and provisions of this Lease, including all reasonable claims for damages made by any succeeding tenant or purchaser of the Premises against City which may be founded upon delay by

City in giving possession of the Premises to such succeeding tenant or purchaser, so far as such damages are occasioned by the holding over of Verizon.

If Verizon fails to remove all goods, chattels, and other personal property in possession of Verizon, by whomsoever owned, at the end of the term of this Lease, or at such other time as City may be entitled to re-enter and take possession of the Premises pursuant to any provision of this Lease, Verizon hereby irrevocably makes, constitutes and appoints the Norfolk City Manager or his designee as the agent and attorney-in-fact of Verizon to remove all goods, chattels, and other personal property, by whomsoever owned, from the Premises to a reasonably safe place of storage, such moving and storage to be at the sole cost and expense of Verizon, and Verizon covenants and agrees to reimburse and pay to City all expenses which City incurs for the removal and storage of all such goods, chattels, and other personal property. In addition, at the option of City, Verizon shall be deemed to have abandoned such goods, chattels, and other personal property and the same shall become the property of City. Verizon shall reimburse and pay City for all expenses incurred in the removing or disposing of the abandoned property.

No act or thing done by City shall be deemed an acceptance of the surrender of the Premises unless City, by its duly authorized officials, shall execute a written release of Verizon. Verizon's liability hereunder shall not be terminated by the execution by City of a new lease of the Premises.

20. **DEFAULT BY TENANT.** If before or during the term of this Lease any of the following events ("Events of Default") shall occur, this Lease shall be deemed to be in default:

(a) if Verizon shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, adjudicated a bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or not contesting the material allegations of a petition

against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Verizon or of any material part of its assets, and such appointment shall not have been vacated; or

(b) if, within 60 days after the commencement, any proceeding against Verizon seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or if, within 60 days after the appointment without the consent or acquiescence of Verizon of any trustee, receiver or liquidator of Verizon or of any material part of its assets, such appointment shall not have been vacated; or

(c) if the interest of Verizon in the Premises shall be sold under execution or other legal process; or

(d) if Verizon shall fail to pay any installment of the Rent within five (5) days after receipt of written notice of delinquency from City; or

(e) if Verizon shall fail to perform or observe any requirement, obligation, agreement, covenant or condition of this Lease, other than the payment of any installment of Rent, and any such failure shall continue for 30 days after City gives Verizon written notice thereof, or if such failure cannot be remedied within 30 days, then for a reasonable time thereafter, provided Verizon commences to remedy such failure within said 30 day period and prosecutes the same to completion with diligence; or

(f) if any representation or warranty contained in this Lease shall prove to be incorrect in any material respect on the date upon which it was made.

At any time following any of such Events of Default, City, without waiving any other rights herein available to City at law or in equity, may either (a) give Verizon notice of termination of this Lease, or (b) without terminating this Lease, give Verizon notice of City's intention to re-enter

and take possession of the Premises, with or without legal process. The giving of either of such notices to Verizon shall terminate Verizon's right to possession of the Premises under this Lease without prejudice, however, to the rights of City to exercise all other available legal remedies and without discharging Verizon from any of its liabilities hereunder.

If City elects to terminate Verizon's right to possession of the Premises under this section following an Event of Default, City may re-enter and take possession of the Premises, with or without legal process, and Verizon hereby waives any claim for damages as a result thereof, and Verizon shall be obligated to pay to City as damages upon demand, and City shall be entitled to recover of and from Verizon:

(a) all Rent which is in arrears as of the date of termination of Verizon's right to possession, plus

(b) the cost to City of all reasonable legal and other expenses and costs, including reasonable attorney's fee, incurred by City in obtaining possession of the Premises, in enforcing any provision of this Lease, in preserving the Premises during any period of vacancy, in making such alterations and repairs to the Premises as Verizon was required to make pursuant to the terms of this Lease and in re-letting the Premises, including all reasonable brokerage commissions therefore, plus

City may re-let the Premises, or any part thereof, and may grant concessions or charge a rent in excess of that agreed to in this Lease. In that event, Verizon shall pay rent, damages, costs and expenses, as specified above, and the net amount of rent collected and received by City as a result of re-letting the Premises during the balance of the term shall be applied against the rent still owed by Verizon, not against damages or expenses. Verizon shall have no right to any excess.

City may sue for and collect any amounts which may be due pursuant to the provisions of this section from time to time as City may elect, but no such suit shall bar or in any way prejudice

the rights of City to enforce the collection of amounts due at any time or time thereafter by a like or similar proceeding.

Verizon agrees to pay all costs of proceedings by City for the enforcement of any breach of the terms and conditions of this Lease by Verizon, including reasonable attorney's fees and expenses, payable immediately upon the filing of any suit for possession or money damages.

No remedy herein conferred upon or reserved to City is intended to be exclusive of any other remedy herein or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. The receipt and acceptance by City of rent with knowledge of the default by Verizon in any of Verizon's obligations under this Lease shall not be deemed a waiver by City of such default. Nothing contained in this Lease shall limit or prejudice the right of City to prove for and obtain in proceedings for bankruptcy or insolvency an amount equal to the maximum allowed by any statute or rule of law in effect at the time when and governing the proceedings, in which the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

No waiver by City of any Event of Default or any default by Verizon in any covenant, agreement, or obligation under this Lease shall operate to waive or affect any subsequent Event of Default or default in any covenant, agreement or obligation hereunder, nor shall any forbearance by City to enforce a right or remedy upon an Event of Default or any such default be a waiver of any of its rights and remedies with respect to such or any subsequent default or in any other manner operate to the prejudice of City.

21. **TAXES.** During the Term of this Lease, Verizon shall pay all taxes and/or assessments imposed on the Premises by any lawful authority by virtue of this Lease and shall pay any and all taxes and/or assessments levied or assessed and which become payable during the Term

hereof upon all of Verizon's leasehold improvements, equipment, furniture, fixtures, and any other personal property located in or on the Premises.

22. **TERMINATION BY DESTRUCTION.** Should the building(s) upon the Premises be destroyed or rendered unfit for use by fire or other casualty, this Lease shall thereupon terminate. City shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements of any of Verizon's leasehold improvements, fixtures or other personal property. Verizon shall give City prompt notice following Verizon's becoming aware of any damage or destruction of any portion of the Premises.

23. **QUIET ENJOYMENT.** City covenants that Verizon, on paying the rental and performing the covenants and conditions contained in this Lease, shall and may peaceably and quietly have, hold, and enjoy the Premises for the term aforesaid.

24. **CERTIFICATES BY VERIZON.** Verizon agrees at any time and from time to time during the term of this Lease, within fifteen (15) days after written request from City, to execute, acknowledge and deliver to City or to a third party a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modification), and the dates to which the Rent and other charges have been paid in advance, if any, and stating whether, to the best knowledge of Verizon, City is in default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which Verizon may have knowledge. Such third party shall have the right to rely upon the contents of any such written statement.

25. **NOTICES.** Whenever it is provided herein that payment, notice, demand, request or other communication shall or may be given to or served upon either of the parties, or if either of the parties shall desire to give or serve upon the other any notice, demand, request or other

communication with respect hereto or the Premises, each such notice, demand, request or other communication shall be given in writing, and, any law or statute to the contrary notwithstanding, shall be given or served as follows:

City: City of Norfolk
Office of Real Estate
232 E. Main Street, Suite 250
Norfolk, Virginia 23510
Attn: Manager of Real Estate

Verizon: Verizon Virginia, LLC
c/o Verizon Global Real Estate
Attn: Lease Administration
7701 E. Telecom Parkway
Mail Code: FLTDSB1W
Temple Terrace, Florida 33637

26. **CAPTIONS.** The captions to the sections of this Lease are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of this Lease or any part thereof nor in any way affect this Lease or any part thereof.

27. **COVENANTS AND CONDITIONS.** All of the terms and provisions of this Lease shall be deemed and construed to be covenants and conditions to be performed by the respective parties as though words specifically expressing or importing covenants and conditions were used in each separate term and provision hereof.

28. **WAIVER OF TRIAL BY JURY.** City and Verizon hereby mutually waive their rights to trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, Verizon's use or occupancy of the Premises, and any claim of injury or damage.

29. **DEFINITION OF TERM "CITY".** When the term "City" is used in this Lease, it shall be construed to mean and include only the then owner of the fee title of the Premises. Upon the transfer by City of the fee title to the Premises, City shall give Verizon notice in writing of the

name and address of City's transferee. In such event, the then City shall be automatically free and relieved from and after the date of such transfer of title of all personal liability with respect to the performance of any of the covenants and obligations on the part of City herein contained to be performed, provided any such transfer and conveyance by City is expressly subject to the assumption by the grantee or transferor of the obligations of City to be performed pursuant to the terms and conditions of this Lease.

30. **BROKERAGE REPRESENTATION.** Verizon hereby represents and warrants to City that it did not see the Premises with, nor was it introduced to the Premises by, any real estate broker or agent thereof. Verizon further represents and warrants that it knows of no person who is entitled to a real estate brokerage commission or sum in lieu thereof in connection with the execution of this Lease.

29. **COVENANTS OF FURTHER ASSURANCES.** If, in connection with obtaining financing for the Premises, a lender shall request reasonable modifications in this Lease as a condition to such financing, Verizon will not unreasonably withhold, delay, or defer its written consent thereto, provided that such modifications do not, in Verizon's reasonable judgment, increase the obligations of Verizon hereunder or materially adversely affect the leasehold interest hereby created or Verizon's use and enjoyment of the Premises.

30. **ENTIRE AGREEMENT.** This Lease contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties.

31. **APPLICABLE LAW.** This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, and any suit arising out of this Lease only shall be brought in the State or Federal Courts located in the State of Virginia. In the event

of any such suit, the parties hereto consent to the personal jurisdiction of such courts and waive any defense based on improper venue.

32. **BIND AND INURE CLAUSE.** The terms, covenants and conditions of this Lease shall be binding upon and inure to the benefit of each of the parties hereto, and their respective successors and assigns.

33. **ACCESS.** Access to the leased area is to be by way of the existing curb cut and driveway currently being utilized by the City of Norfolk's Department of Utilities.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, the parties have executed or have caused this Lease to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

CITY OF NORFOLK

By: _____ (SEAL)
City Manager

ATTEST:

City Clerk

**COMMONWEALTH OF VIRGINIA,
CITY OF NORFOLK, TO-WIT:**

I, _____, a Notary Public in and for the City of Norfolk in the Commonwealth of Virginia, whose term of office expires on the ____ day of _____, 20____, do hereby certify that Marcus D. Jones, City Manager, and R. Breckenridge Daughtrey, City Clerk, respectively, of the City of Norfolk, whose names are signed to the foregoing Lease Agreement, have acknowledged the same before me in my City and State aforesaid.

Given under my hand this ____ day of _____, 2016.

Notary Public
Registration No. _____

APPROVED AS TO CONTENTS:

Director of General Services

APPROVED AS TO FORM AND CORRECTNESS:

Deputy City Attorney

VERIZON VIRGINIA LLC

By: _____
Name: _____
Title: _____

STATE OF _____
CITY/COUNTY OF _____, to-wit:

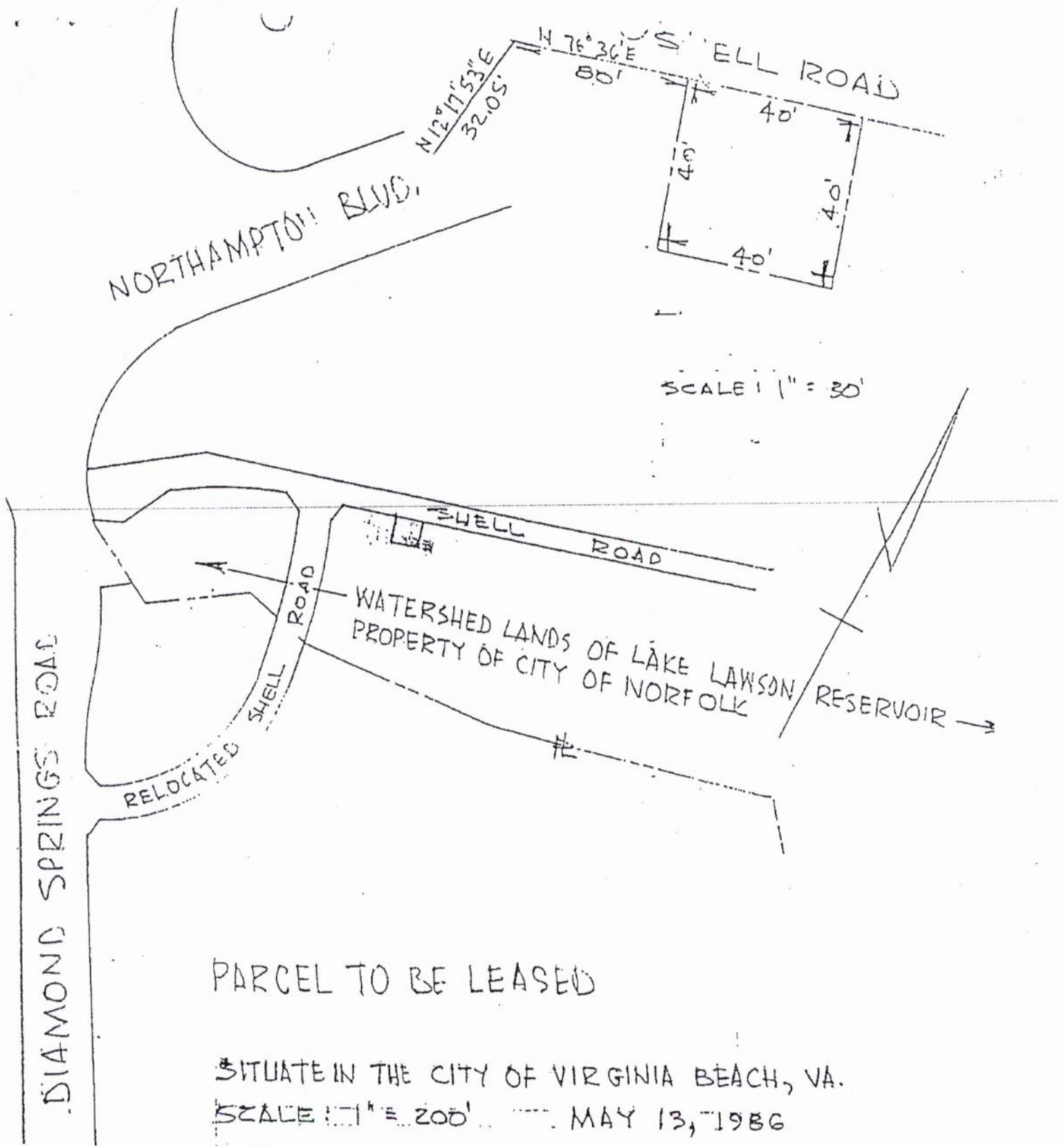
I, _____, a Notary Public in and for the City/County of _____ in the State of _____, whose term of office expires on the ____ day of _____, 20____, do hereby certify that _____, _____ (Title) of Verizon Virginia LLC, whose name is signed to the foregoing Lease Agreement, has acknowledged the same before me in my City and State aforesaid.

Given under my hand this ____ day of _____, 2016.

Notary Public
Registration No. _____

EXHIBIT "A" TO LEASE

A square parcel of land measuring forty feet on all sides, abutting the south side of Shell Road near its relocated intersection with Diamond Springs Road, said parcel being situate in the watershed lands of Lake Lawson reservoir in the City of Virginia Beach, Virginia, the northwestern corner of said parcel being a point in the southern line of Shell Road that is distant the following two courses and distances from the intersection of the southern line of Shell Road with the eastern line of relocated Shell Road: N 12° 17' 53" E, 32.05 feet along the southeastern corner of said intersection; N 74° 36' E, 80.00 feet along the southern line of Shell Road.



PARCEL TO BE LEASED

SITUATE IN THE CITY OF VIRGINIA BEACH, VA.

SCALE: 1" = 200' MAY 13, 1986

DIVISION OF SURVEYS
DEPARTMENT OF PUBLIC WORKS
NORFOLK, VA

Exhibit B